International and Intergovernmental Relations

Also responsible for Aboriginal Affairs

27th

ANNUAL REPORT

to March 31, 2000

Alberta

INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

100-07530/

Preface

Public Accounts 1999-2000

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 18 ministries.

The **Annual Report of the Government of Alberta** released in June contains the Provincial Treasurer's statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the **Measuring Up** report.

This Annual Report of the Ministry of International and Intergovernmental Relations **contains the Minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:**

- **the financial statements of entities making up the ministry including the department of International and Intergovernmental Relations for which the Minister is responsible.**
- **other financial information as required by *the Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of financial statements, to the extent that the ministry has anything to report.**

Contents

Preface ..... *i*

Table of Contents ..... *ii*

Minister's Accountability Statement 1

Message from the Minister 2

Message from the Associate Minister 3

Management's Responsibility for Reporting 4

Overview 5
- Corporate structure
- Operating overview
- An analysis of key activities in the past year

Report of the Auditor General on the Results of Applying Specified Audit Procedures to Performance Measures 29

Results and Performance Measures 30
- Comprehensive Client Satisfaction Surveys
- Secondary economic and socio-demographic indicators
- Public polling
- Government-wide measures

Financial Statements 35
- Auditor's report
- Statement of operations
- Statement of changes in financial position
- Statement of financial position
- Notes to the financial statements
- Schedules to the financial statements

Appendix I 50
- Intergovernmental Agreements

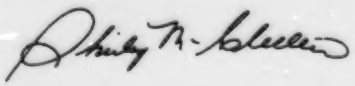
Appendix II 53
- International Intergovernmental Agreements

Appendix III 55
- The Top 30 Destinations for Alberta's Exports

Appendix IV 56
- Alphabetical List of Entities' Financial Information in Ministry Annual Reports
  - Entities included in the Consolidated Government Reporting Entity
  - Entities NOT included in the Consolidated Government Reporting Entity

Minister's Accountability Statement

The ministry's **Annual Report** for the year ended March 31, 2000 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 8, 2000 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Shirley McClellan
Minister of International and Intergovernmental Relations

Message from the Minister

Eight weeks into the new fiscal year, the name of the ministry changed to reflect our strengthened focus on international relations. In addition, the position of Associate Minister of Aboriginal Affairs was created, again reflecting our commitment in this important policy area.

Alberta International and Intergovernmental Relations subsequently led development of government-wide strategies and policies for the province's relations with international governments and organizations, with federal, provincial and territorial governments in Canada and with Aboriginal governments, communities and organizations.

The ministry fulfilled this mission through priorities identified in its business plan. These priorities included securing benefits for Alberta, both from strengthened international relations and as an equal partner in a revitalized, united Canada and through supporting Aboriginal people and governments in achieving self-reliance and enhanced well-being.

Our staff continued to make strides in reaching our goals. This was reflected in several areas: the management of Alberta's transboundary relations with the United States; negotiations to remove or reduce trade and investment barriers; coordination of Alberta's participation in the Agreement on Internal Trade; development of a government-wide Aboriginal Policy Framework; timely settlement of treaty land entitlement claims and assisting the Metis Settlements General Council with the development and implementation of its business plans.

Looking to the future, IIR will tackle several important challenges. In addition to implementing a framework for Alberta's international strategies, monitoring international trade negotiations and providing support for intergovernmental activities, the ministry will begin to implement the commitments to action contained in the Aboriginal Policy Framework, reorganize its Aboriginal Relations and International Relations sections and establish an International Governance Office, designed to share Alberta's expertise in democratic governance.

Shirley McClellan
Minister of International and Intergovernmental Relations

Message from the Associate Minister

In many ways it was a ground-breaking year for the ministry in the area of Aboriginal Affairs.

Early in the year, the portfolio of Associate Minister was created to help lead policy development in the area of Aboriginal Affairs, an appointment I was honoured to accept.

During the year, work continued on an Aboriginal Policy Framework to help guide the Alberta Government's Aboriginal policies and practices. In connection with this, I led consultations with Aboriginal groups (both First Nations and Metis), industry, municipalities, volunteer organizations, the federal government and other interested Albertans.

More than 1200 people took part in meetings, held across the province from High Level to Pincher Creek and from Lloydminster to Jasper. We received more than 50 written submissions on the Framework, in a valuable and meaningful consultation that will greatly assist the ministry in the years to come.

In addition, important agreements to help Aboriginal people achieve their goals of self sufficiency were signed during the year. In April, the ministry signed a seven-year agreement with the Metis Nation of Alberta Association. In June, the Loon River land claim settlement was formally signed. In August, the ministry signed an agreement with the Athabasca Tribal Council and in early 2000, the Smith's Landing settlement was concluded.

In a year full of accomplishments and progress, I believe we laid a solid foundation for improvement and for meeting the challenges of the future. I was honoured to play my part in achieving our ministry's business plan goals, and I look forward to the tasks that lie ahead.

Pearl Calahasen
Associate Minister of Aboriginal Affairs

Management's Responsibility for Reporting

The Ministry of International and Intergovernmental Relations includes:

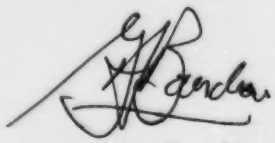
The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, we ensure the ministry complies with all relevant legislation, regulations and policy.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of International and Intergovernmental Relations. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgements. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting function. The ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

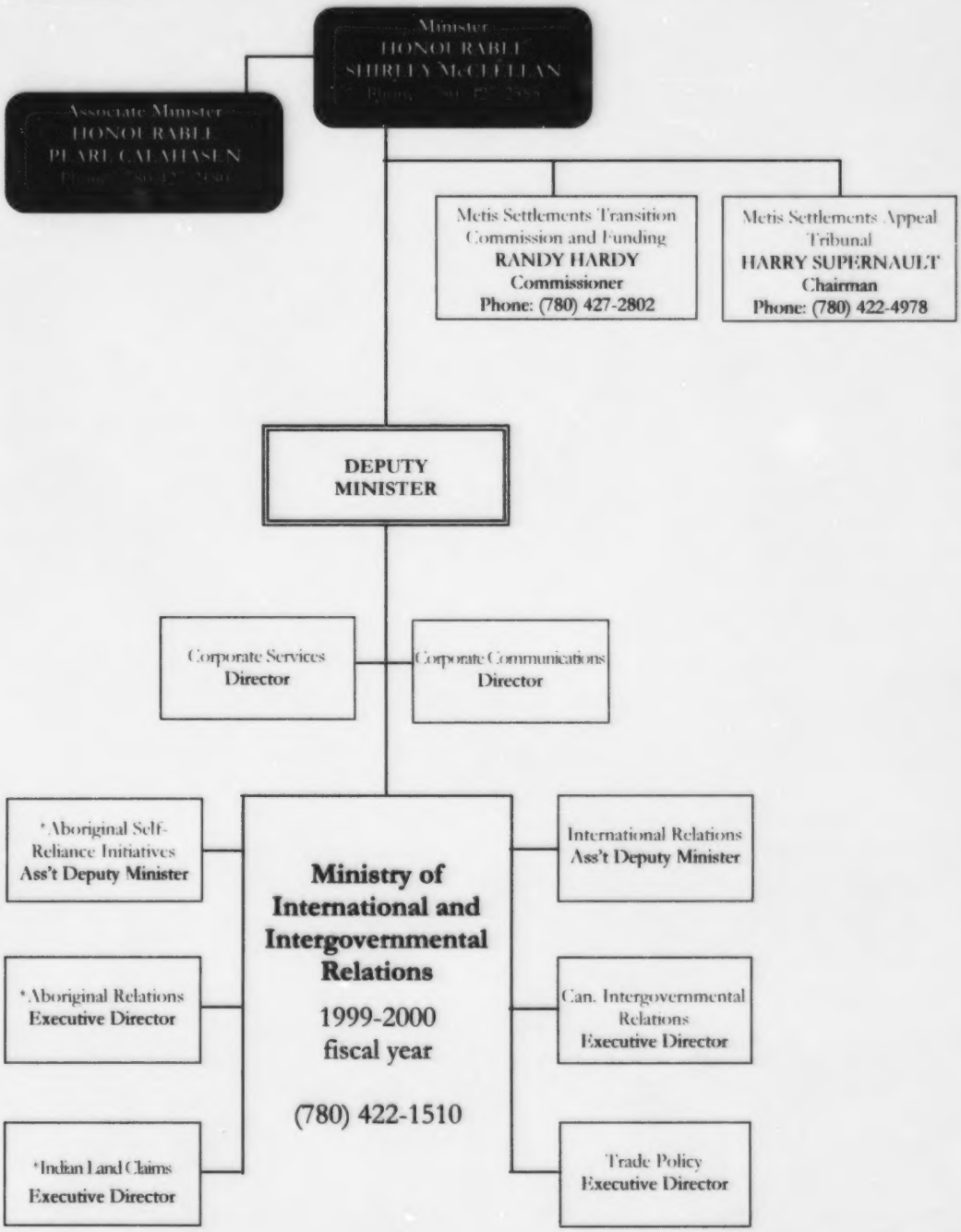
- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the province under ministry administration,
- provide Cabinet, Treasury Board, the Provincial Treasurer and the Minister any information needed to fulfil their responsibilities, and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act.*

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.



Gerry Bourdeau
Deputy Minister
International and Intergovernmental Relations
September 8, 2000

Corporate Structure



*Note: The organizational structure represented in this chart has changed. The current organization chart and contact numbers for the department are available on the IIR website at http://www.iir.gov.ab.ca.

Operating Overview

International and Intergovernmental Relations -- also responsible for Aboriginal Affairs

A brief description of the entities under the ministry

Metis Settlements Transition Commission and Funding:
The Commission was established by the Metis Settlements legislation, and is an independent corporation responsible for the successful implementation of the legislation.

Metis Settlements Appeal Tribunal:
The Appeal Tribunal hears land and membership appeals between Settlement members and Councils.

A brief description of the sections within the ministry

Aboriginal Affairs:
Leads the development of strategies and policies to achieve the Government's goal that the well-being and self-reliance of Aboriginal people in Alberta will be comparable to that of other Albertans. Development and implementation of these strategies and policies requires close cooperation with other Alberta ministries and strategic partnerships with public, private and Aboriginal communities.

Canadian Intergovernmental Relations:
The Canadian Intergovernmental Relations section works with other Alberta departments and the federal government to ensure that Alberta's interests are represented in the Canadian federation.

International Relations:
The International Relations section takes a leadership role within the Alberta government to develop the province's international relationships and advances its strategic interests.

Trade Policy:
The ministry's Trade Policy section deals with domestic and international trade and investment agreements, negotiations and disputes affecting Albertans. It pursues policies that meet Alberta's objectives of reducing trade and investment barriers.

Corporate Services:
This section coordinates provision of financial services, human resources services, information technology, records management and administration for the ministry.

Corporate Communications:
Communications provide a wide range of services including strategic communications planning, issues management, media monitoring and relations, and the coordination of the Internet homepage, advertising and printing services.

An analysis of key activities in the past year

The core business of the ministry, as defined in the 1999-2002 business plan, is to provide leadership in the management of Alberta's intergovernmental and Aboriginal relations. The ministry pursued its core business by focussing on three goals:

Goal 1 Securing benefits for Alberta as an equal partner in a revitalized united federation.

Goal 2 Supporting Aboriginal people and governments in achieving self-reliance and enhanced well-being.

Goal 3 Securing benefits for Alberta from strengthened international relations.

For each goal, the ministry's 1999-2002 business plan identified outcomes it sought to achieve, and detailed strategies to help achieve those outcomes. Because the ministry is focused on achieving outcomes, accomplishments are outlined under each goal.

GOAL 1: Securing benefits for Alberta as an equal partner in a revitalized united federation.

OUTCOME 1.1: Effective participation by Alberta in the federation.

Annual Premier's Conference

Alberta participated in the August 1999 Annual Premiers' Conference in Quebec City, Quebec. The main theme for the conference was Canada's competitiveness. IR played a key role in preparing the Premier for this event and focused on four main objectives to enhance Canada's competitiveness:

- a call for reducing federal taxes;
- an agreement on the need to address the fiscal imbalance between increasing federal revenues and the constitutional responsibilities of the provinces in areas such as health, education and social services;
- the full unconditional restoration of the Canada Health and Social Transfer, enabling provinces to direct this additional funding to priority areas, such as post secondary education; and,
- an agreement for a Canada-wide transportation infrastructure program that would include a National Highways Program.

At the conference, Premiers advocated the need for a balanced approach to increasing Canadian economic competitiveness, including the reduction of federal taxes and restoration of the Canada Health and Social Transfer and principles to address an infrastructure program.

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Western Premiers' Conference

In May 1999, Alberta organized and hosted the Western Premiers' Conference in Drumheller, Alberta. IIR was responsible for the agenda and assisted with organizing the conference. As host, Alberta facilitated open, productive discussion on a number of important issues: the restoration of the Canada Health and Social Transfer to 1994-1995 levels; a greater role for the provinces in negotiating, implementing and managing international issues in areas of provincial jurisdiction; and, the need for a national transportation strategy.

Other issues important to Alberta that were discussed included: health care, social policy renewal initiatives regarding children and youth, agricultural trade, and partnership with the Western Governors' Association.

Social Union Framework Agreement

A Framework to Improve the Social Union for Canadians, also referred to as the Social Union Framework Agreement, was signed in February 1999 by Premier Klein and First Ministers.

IIR worked with many departments (Human Resources and Employment, Children's Services, Community Development, Learning, Health and Wellness, Justice and Treasury) in implementing several components of the Agreement during 1999-2000, including the accountability and mobility provisions.

IIR worked with other ministries to develop guidelines for intergovernmental accountability frameworks. These guidelines emphasized the democratic accountability of the Government of Alberta, Alberta's leadership in performance measurement, and that accountability to the federal government in areas of provincial jurisdiction is inconsistent with the Canadian federal system.

IIR also worked with other ministries to implement the mobility commitments of the Agreement, which call on governments to eliminate within three years any unreasonable barriers to mobility that may exist in social programs. IIR took part in a thorough review of Alberta's social programs. Three programs with a policy or practice inconsistent with the Agreement were identified and, subsequent to this reporting period, action was taken on each.

- The residency requirement of Community Development's Home Adaptation Program was reduced to three months.
- The residency requirement for certain clients in Human Resources and Employment's Skills Development Program will be reviewed.
- Alberta Learning's 2000-2001 enhancement of the Alberta Student Loan program was reviewed, making student loans fully portable for all undergraduate students studying outside Alberta.

Council on Social Policy Renewal

Minister McClellan represented Alberta on the Ministerial Council on Social Policy Renewal. In 1999-2000, the Council played an important role in implementing elements of the Social Union Framework Agreement. In particular, the Council pursued implementation of a dispute resolution mechanism. The Council, among other matters, is responsible for the development of the National Children's Agenda.

National Children's Agenda

The National Children's Agenda is a vision that aims to ensure all Canadian children have the best possible opportunity to realize their potential. The Agenda strongly supports Alberta's own Children's Initiative. IIR is a partner in the Alberta Children's Initiative. Led by Alberta Children's Services, the Initiative is a vital component of Alberta's efforts to support children.

Federal Legislation

IIR worked with Municipal Affairs, Innovation and Science and Justice to examine federal legislation to protect electronically-held personal information and promote electronic commerce. IIR coordinated efforts to communicate Alberta's concerns to the federal Minister of Industry about the legislation's intrusions into provincial jurisdiction over property and civil rights.

IIR continued to collaborate with Environment, Resource Development, and Agriculture Food and Rural Development to develop an Alberta response to the December 1999 federal plan regarding species at risk. Alberta expressed its concerns to the federal government that the anticipated legislation will intrude on provincial jurisdiction over provincial land and natural resources, and will duplicate Alberta's efforts to protect species.

Anticipating a number of federal national park initiatives, IIR facilitated discussions between Alberta ministries and Parks Canada to communicate provincial concerns relating to how the current management of national parks impacts Alberta. This discussion resulted in the formation of an inter-departmental team of officials chaired by Economic Development and comprised of Environment, Municipal Affairs, Infrastructure and IIR. The team developed principles in support of a balanced approach to managing national parks, an approach which considers affordable access, equitable treatment of parks residents, tourism, and the preservation of natural heritage.

IIR worked with Environment to develop a strategic response and a process for addressing provincial concerns with the *Canadian Environmental Assessment Act*. Alberta maintains that the Act fails to recognize the province's role and expertise in undertaking environmental assessments, including the province's jurisdiction to

manage resources and the environment. IIR provided advice and direction to Environment for collaboration with other provinces and territories on this issue.

Intergovernmental Agreements

IIR reviewed and approved all intergovernmental agreements entered into by the Government of Alberta, pursuant to the *Government Organization Act* (see Appendix I and II). IIR provided advice and support to other ministries in negotiating agreements to ensure a fair deal for Alberta, and recommended specific negotiating strategies where appropriate.

Facts About Funding *Document*

In January 2000, IIR published **Facts About Funding For Alberta's Core Health and Social Programs**. This document outlined the fundamental fiscal imbalance within the Canadian federation: that provinces are responsible for providing health, education and social programs which Canadians highly value, while the federal government collects most of the taxes – significantly more than it needs to fund its own programs. The document played a key role for Alberta at the special meeting of Premiers and Territorial Leaders on February 3, 2000 in advance of the federal budget. At the meeting, Premiers agreed to send a letter to the federal government calling for full restoration of funding to the Canada Health and Social Transfer and an appropriate cash escalator. The letter mirrored Alberta's position outlined in **Facts About Funding**.

Climate Change

IIR contributed to the establishment of a cross-government climate change initiative, in particular to the planning and delivery of Alberta's Climate Change Roundtable in April 1999. The roundtable further defined Alberta's climate change strategy and the establishment of Climate Change Central (a stakeholder partnership) to coordinate Alberta's efforts at reducing greenhouse gas emissions.

Western Economic Partnership Agreement

IIR continued to work with Western Economic Diversification Canada to implement the 1998 Western Economic Partnership Agreement. This Agreement is a federal-provincial cost shared arrangement injecting $40 million into priority economic development initiatives in Alberta. During 1999-2000, IIR worked with all government ministries to identify strategic priorities for allocating $22 million in remaining funds. Alberta ministries agreed to focus on the priorities of "technology and innovation infrastructure" and "community development."

Pipeline Jurisdiction

IIR continued to provide advice and assistance to Resource Development on pipeline jurisdictional issues. Canada's energy ministers received a report from a federal/provincial Assistant Deputy Ministers' committee outlining steps to resolve federal and provincial issues surrounding natural gas pipelines. In July 1999, Alberta and the Northwest Territories signed a Sub-Agreement on Northern Oil and Gas Developments to facilitate the orderly development and transmission of gas reserves in the Northwest Territories.

National Unity

IIR continued to monitor developments in the area of national unity, which helped Alberta formulate policies and strategies related to national unity, especially after the federal government introduced the *Clarity Act* in December 1999. In response to this bill, the Quebec government introduced Bill 99 -- *an Act respecting the exercise of the fundamental rights and prerogatives of the Quebec people and the Quebec State*, which seeks to reassert Quebec's "right to self-determination." IIR and Justice continued to assess national unity implications of the federal and Quebec bills as they moved forward.

Agreement on Internal Trade

In 1999-2000, IIR participated in inter-governmental negotiations on the Agreement on Internal Trade. These meetings that were held to address internal trade barriers and items related to implementing the Agreement. IIR was successful in keeping signatories to the Agreement focussed on expanding coverage of the procurement rules to government entities.

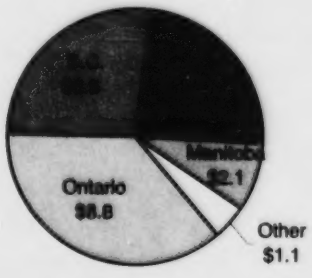
Within Alberta, IIR led the cross-government identification and review of government procurement and contracting processes, which have implications for internal trade. As a result of the review, departments better understand the importance and benefits of complying with Alberta's obligations under the Agreement and have changed their internal processes to ensure compliance with the Agreement.

IIR worked closely with Alberta's MASH sector (municipalities, academic institutions, schools boards and hospitals) to ensure compliance with new open-tendering rules in the special MASH Annex to the Agreement. A close relationship between IIR and Alberta's MASH sector has resulted in a high degree of cooperation and compliance with these obligations.

IIR continued negotiations in several areas of importance:

- Ensuring that all provinces will comply with the Agreement's Energy Chapter, and that any exemptions are time limited. Exemptions could limit opportunities available to Alberta-

Alberta's Interprovincial Exports of Goods and Services in 1998
(in billion of dollars)



manage resources and the environment. HR provided advice and direction to Environment for collaboration with other provinces and territories on this issue.

Intergovernmental Agreements

HR reviewed and approved all intergovernmental agreements entered into by the Government of Alberta, pursuant to the *Government Organization Act* (see Appendix I and II). HR provided advice and support to other ministries in negotiating agreements to ensure a fair deal for Alberta, and recommended specific negotiating strategies where appropriate.

OUTCOME 1.2 A federal system that better serves Albertans' needs.

Facts About Funding Document

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OUTCOME 1.3 Effective leadership by Alberta that supports a strong and united Canada.

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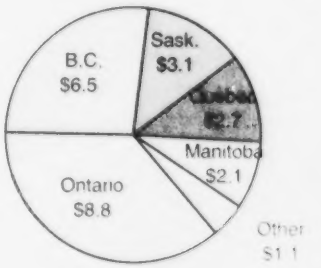
HR continued negotiations in several areas of importance:

- Ensuring that all provinces will comply with the Agreement's Energy Chapter, and that any exemptions are time limited. Exemptions could limit opportunities available to Alberta

OUTCOME 1.4 Canadian internal trade liberalization which promotes the freer flow of goods, services, capital and labour across Canada.

Alberta's Interprovincial Exports of Goods and Services in 1998
(in billion of dollars)



based companies with energy projects and initiatives in other jurisdictions.

- Developing options (in cooperation with the Working Group on Investment) for improving and strengthening the Code of Conduct on Incentives in the Agreement's Investment Chapter. Alberta believes that luring businesses to locate within a specific province (through the use of incentives and bidding wars) should be specifically addressed in the code, and that the code should apply to all sectors covered by the Agreement.

Work continued on a process to reconcile extra provincial corporate registration and reporting requirements as an outstanding obligation in the Chapter on Investment.

Throughout the year, HR maintained its liaison with Alberta departments on the Interdepartmental Coordinating Committee on Internal Trade, the body responsible for the Agreement's implementation and negotiating strategy development.

As a result of private sector consultation on the Agreement, HR developed the report **Notes for Development and Future Negotiations**, which was distributed to the National Committee of Ministers Responsible for Internal Trade. HR also developed and distributed a document called **Cost of Barriers - Benefits of the AIT**. This document increases awareness about the Agreement and discusses the potential cost savings to departments by reducing the risk of an unfair trade complaint being launched against Alberta.

GOAL 2 — Supporting Aboriginal people and governments in achieving self-reliance and enhanced well-being

Aboriginal Policy Framework

OUTCOME 2.1 Coordinated provincial approach to Alberta's relationship with Aboriginal people.

HR continued to act upon commitments towards an Aboriginal Policy Framework. Over the past year, HR led an interdepartmental team developing a draft Aboriginal Policy Framework. Cabinet approved the draft Framework and consultation plan on July 15, 1999. This approval marked the first time that all Alberta government departments agreed to participate in the development of a cross government Aboriginal policy statement.

Associate Minister Calahasen introduced the draft Framework to First Nations and Metis leaders in September 1999 and led extensive province-wide consultations with Aboriginal communities, industry, other governments and all interested Albertans. During the consultations, 52 meetings were held and 54 written responses on the draft framework were received. The comments from consultations

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were compiled into the document **What You Told Us**, which formed the basis for a revised Aboriginal Policy Framework.

Concurrent with the development of the Aboriginal Policy Framework, the **Government Business Plan** introduced an Aboriginal Policy Initiative as one of four priorities for 2000-2001. Alberta government departments and agencies are now required to identify Aboriginal strategies in their business plans and must report on the success of those strategies in their annual reports.

Intergovernmental Initiatives

Minister McClellan and Associate Minister Calahasen represented Alberta at the Federal/Provincial/Territorial Ministers Responsible for Aboriginal Affairs and National Aboriginal Leaders meetings on December 15, 1999 in Ottawa. These meetings were especially successful, as all parties reached consensus on two important initiatives: an Ongoing Process of Dialogue Agreement, and the National Aboriginal Youth Strategy.

The Ongoing Process of Dialogue initiative addresses the concerns of national Aboriginal governments and organizations regarding full participation in all intergovernmental discussions and meetings on issues that directly affect Aboriginal peoples. Alberta has historically supported Aboriginal participation in discussions that directly affect Aboriginal peoples and thus strongly supported the establishment of this process.

Over the next year, IIR will be developing strategies and approaches to strengthen Aboriginal participation in the economy.

IIR actively participated in the development of a National Aboriginal Youth Strategy because it complemented the proposed Aboriginal Policy Framework initiative and ongoing discussions/initiatives with Aboriginal organizations in Alberta. The Strategy provides a framework that will assist governments, institutions and Aboriginal organizations in the development of policy and in the design and delivery of programs and services for Aboriginal youth, in an attempt to address depressed socio-economic conditions.

In 1999-2000, IIR undertook to develop a partnership process with the Government of Canada and provincial Aboriginal organizations to address issues associated with the urban Aboriginal population. The two orders of government attempted to identify a process that would lead to the identification of program/service delivery gaps and a process to respond to local community priorities in a flexible way. An example of IIR's participation in this process was through involvement in the development of the Edmonton Urban

Aboriginal Initiative. At year-end, discussions on process and projects were continuing amongst the federal and Alberta governments and provincial Aboriginal organizations.

Metis Nation of Alberta Association

On April 20, 1999, Alberta and the Metis Nation of Alberta Association signed a new seven-year Framework Agreement. The new Framework Agreement focuses on specific department initiatives and projects, and clarifies the relationship between the Metis Nation of Alberta Association and Alberta government departments. With administration and salary costs covered by IIR, the funding provided by Alberta government departments will now be allocated to specific projects and initiatives with practical and measurable outcomes.

Several key projects that were undertaken this past year that allowed for the advancement of Metis issues within department policies:

- Learning provided the Metis Nation of Alberta Association with funding for a review of the Native Education Policy.
- Justice provided $10,000 for the development of a Metis Advisory Committee.
- In addition, other departmental projects provided the Metis Nation of Alberta Association with the opportunity to advance the well-being of Metis people (e.g. Alberta Economic Development's funding of $35,000 for a tourism project and $70,000 for the development of an economic development strategy).

Peigan Nation/Alberta Protocol Agreement

IIR continued to facilitate, on behalf of a number of provincial departments, the resolution of numerous, longstanding issues between the Peigan Nation and the Province of Alberta relating to environmental, agricultural, resource development and cultural concerns.

IIR provided funding (which was matched by the federal government) to the Peigan Nation and appointed a Chief Negotiator to negotiate various issues such as child welfare, utilities, transportation and the effects of the Oldman River Dam.

Understanding Relations between First Nations and Alberta

During this past year, Associate Minister Calahasen attended Chiefs' Summit IX and had the opportunity to discuss various issues relating to the proposed Aboriginal Policy Framework with First Nation leaders.

Memorandum of Understanding Between the Alberta Grand Council of Treaty 8 First Nations and the Government of Alberta

The Premier and Minister McClellan met with Treaty 8 representatives to reaffirm past consultative undertakings and to begin discussions on priority issues with the appropriate Alberta Government ministers. As part of this process, IIR and the Canadian Association of Petroleum Producers co-hosted ten community-industry workshops between Aboriginal communities and resource development companies. These workshops were held to improve relationships and provide a better understanding of the challenges facing both Aboriginal communities and resource industries.

Data/Statistics

IIR continued to collect and provide various information and data products to Alberta government departments, the public, the private sector and other governments on a regularly scheduled and on-request basis. In addition to the updated and custom products, IIR continued to produce a twice-monthly **Aboriginal News Digest** and to chair the Interdepartmental Committee on Aboriginal Affairs.

Funding Support

IIR provided support to conferences, consultations, community support, education and cultural awareness. The support was provided through grant funding and examples include:

- Lesser Slave Lake Indian Regional Council - Treaty 8 Centennial Project;
- National Aboriginal Day celebrations;
- Alberta Aboriginal Women's Society - Referral Centre;
- Edmonton Metis Cultural Dance Society - 2nd National Aboriginal Symposium on Aging;
- Society for Metis Literacy - Literacy Workshops;
- Association of Translators and Interpreters of Alberta - Professional Development workshop;
- Native Seniors Centre - Cultural and Spiritual Journeys; and,
- University of Alberta, School of Native Studies - Student Recruitment Project.

In 1999-2000, several Aboriginal projects were approved for funding under the Western Economic Partnership Agreement. The Edmonton Urban Aboriginal Initiative Steering Committee was funded under this initiative to hire a Project Manager and activities are underway to coordinate the preparation of guidelines for several traditional use studies.

Program and Service Delivery

IIR continued to provide funding and advice to the Aseniwuche Winewak Society, a group of six Grande Cache cooperatives and enterprises, to assist in increasing their self-reliance. The funding was used to develop a community plan, including a municipal services plan, and assist in establishing relationships with oil and gas and forestry companies working in the area.

IIR continued to provide advice and assistance to First Nations and Metis Settlements regarding the establishment of Job Corps in the communities.

In 1999-2000, IIR provided advice to First Nations in the development of their organizational capacities. Working with the Dene Tha' and Cold Lake First Nations, IIR assisted in undertaking reviews of their organizational structures, policies and procedures. The purpose of this activity is to enhance the effectiveness of First Nations governments, to enable them to address the socio-economic conditions in their communities.

As part of its continuing commitment to provide support to other government departments, IIR was active in providing specialized support, advice and expertise to Alberta Children's Services in the negotiation of seven First Nation on-reserve Child Welfare Agreements. In addition, assistance and strategic advice was provided to Children's Services on a wide range of ministry specific Aboriginal matters including:

- off-reserve service delivery arrangements with First Nations;
- working relationships and protocols between First Nation agencies and Child and Family Service Authorities;
- strategies and options for resolving federal/provincial/First Nation funding issues;
- strategies for future negotiations with Aboriginal organizations; and,
- on-going discussions with the Blood Tribe and federal government concerning the exercise of jurisdiction by the Blood Tribe over child welfare matters on the Blood Reserve. Together with senior federal, Blood Tribe, Alberta Justice and Children's Services officials, IIR participated in the examination of potential governance models and infrastructures relating to the on-going Kianaiwa Child Welfare Legislation Initiative.

Relationships with Industry

IIR continued to encourage industry to establish proactive, positive working relationships with Aboriginal people living in the areas in which industries operate. IIR also encouraged greater participation by Aboriginal people in the resource development sector since employment is one method of improving their economic conditions for individuals and communities.

On August 4, 1999, Minister McClellan, on behalf of the Government of Alberta, entered into an agreement with the Athabasca Tribal Council in north-east Alberta. The agreement will assist First Nations to increase their capacity to participate in the benefits of oil sands development. Provincial funding of $330,000 was committed to support coordination of the Council's participation in industry work and to provide training for members, enabling them to secure employment and business opportunities.

Land Claim Settlements

During 1999-2000, Alberta executed final agreements to settle the Loon River and Smith's Landing treaty land entitlement claims. Eleven treaty land entitlement settlements have been reached since 1986.

Loon River Settlement: On June 23, 1999, Canada, Alberta and the Loon River First Nation executed final agreements to settle the claim of the First Nation for a reserve pursuant to the terms of Treaty 8. Under the settlement, Loon River will receive a reserve of not less than 44,800 acres and $22 million. Alberta will contribute the land and $7.5 million (as well as $1.5 million related to certain third party and implementation costs), while Canada will provide $14.5 million. In addition, the federal government will provide $29.5 million over a period of five years for capital construction on the new Loon River Reserve.

Smith's Landing Settlement: Final agreements to provide the Smith's Landing First Nation with reserves under Treaty 8 were executed on March 31, 2000. By the terms of these agreements, members of the First Nation will receive reserves totaling 21,500 acres in and around their traditional home of Fitzgerald, Alberta and $31 million. Alberta will provide 19,000 acres of provincial Crown land and $3 million (as well as $235,000 related to certain third party and implementation costs), while the Government of Canada will provide 2,500 acres of federal Crown land and $28 million.

Treaty 8 Centennial

IIR coordinated events associated with Alberta's participation in ceremonies commemorating the centennial of the signing of Treaty 8. The Premier, Minister McClellan, Associate Minister Calahasen and senior officials attended events in Grouard in June 1999, Fort Chipewyan and Fitzgerald in July 1999 and Wabasca in August 1999. These events provided opportunities to recognize the partnership symbolized by Treaty 8. On June 19, 1999, Alberta and Treaty 8 First Nations entered into an agreement to share ownership of the parcel of land on which the Treaty Commissioners camped at the original signing of the Treaty.

OUTCOME 2.2 Increased self-reliance and well-being of Aboriginal communities and people.

Program and Service Delivery

HR continued to provide funding and advice to the Ts'enwuche Wiitewak Society, a group of six Grande Cache cooperatives and enterprises, to assist in increasing their self reliance. The funding was used to develop a community plan, including a municipal services plan, and assist in establishing relationships with oil and gas and forestry companies working in the area.

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OUTCOME 2.3 Settlement of Indian land claims, in a way that is fair and equitable to all parties.

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Metis Settlements

OUTCOME 2.4 Accountable, self-regulating, and self-reliant Metis Settlement governments.

The Metis Settlements are the only Metis land base, and the only recognized form of Metis government in Canada. Located throughout northern Alberta, approximately 5,000 people reside on eight Settlements totaling 1.25 million acres.

HR's efforts with Metis Settlements are primarily directed toward assisting them in their efforts to improve the accountability, self regulation, and self reliance of their governments. One of the fundamental components of the funding arrangement between the Government of Alberta and the Metis Settlements is a commitment by the Settlements to prepare annual business plans. Every settlement has now prepared a business plan that is proving to be a valuable tool to improve the efficiency and effectiveness of Settlement governments.

Joint GOA/Metis Settlements Initiatives

HR has continued to work with the Metis Settlements General Council and the Federal Privy Council Office pursuant to a Tripartite Agreement, signed in 1997.

Governance Initiatives

As part of the movement toward self regulation, some of the Minister's authority and powers under the *Metis Settlements Act* were delegated to the Commissioner of the Metis Settlements Transition Commission.

During 1999, proposals were developed to amend the *Metis Settlements Act*. These proposals focussed primarily on the election system for Settlement Councils and the decision making processes of the General Council. In addition, the proposals for legislative changes incorporated the recommendations of the Metis Settlements Appeal Tribunal Task Force, which was co chaired by Denis Ducharme, MLA for Bonnyville Cold Lake.

Goal 3 — Securing benefits for Alberta from strengthened international relations

International Strategies

OUTCOME 3.1 Strengthened Alberta intergovernmental relations with key foreign economic partners.

HR publicly released **A Framework for Alberta's International Strategies** in February 2000. The framework, developed in consultation with other government departments, identifies the Alberta Government's vision for its international initiatives ("a province that is globally competitive and internationally active in expanding trade and investment in order to enhance the well being of all Albertans"). It identifies three international core businesses:

- building international relations;
- removing trade and investment barriers; and,
- marketing trade, investment and tourism.

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- removing trade and investment barriers; and,
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The framework also identified several areas where more detailed Alberta Government strategies would be developed: marketing; foreign offices; twinnings; and, education.

International Governance Office

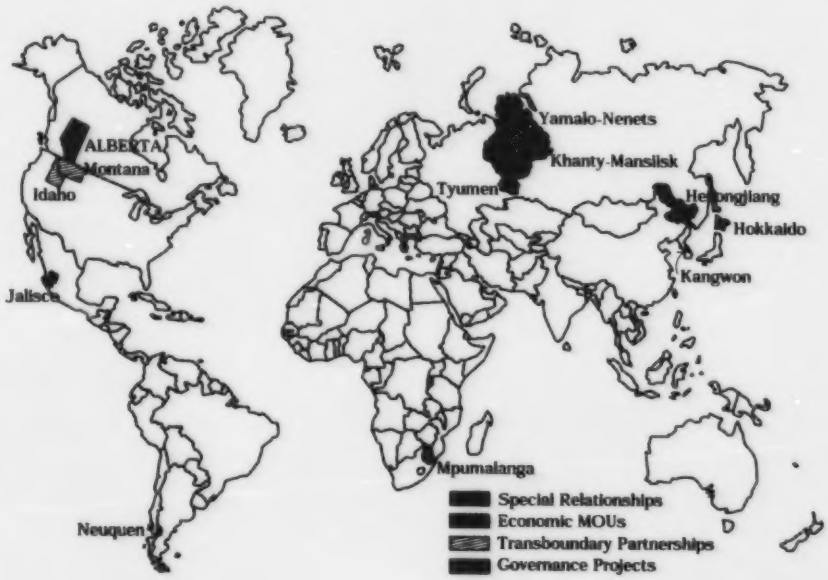
IIR laid the groundwork establishing an International Governance Office to manage and coordinate the Alberta Government's involvement in international development projects in areas of governance and public sector reform. It will:

- coordinate external demands on Alberta Government ministries to participate in international development projects;
- manage the Alberta Government's governance partnerships with academic institutions, private sector groups and non-government organizations;
- raise the profile of Alberta's public and private sector expertise in various fields with international agencies; and,
- establish contacts with foreign decision makers.

Twinnings Review

IIR launched an interdepartmental review of Alberta's current twinnings (formal linkages between the province of Alberta and foreign states or provinces). Twinnings were identified as important contributors to Alberta's international core businesses, in **A Framework for Alberta's International Strategies**. The review is expected to result in criteria for assessing twinnings; recommendations regarding existing and proposed twinnings; and, funding and management strategies for twinnings.

Alberta Twinning Relationships



Relations with the United States

The United States (U.S.) will continue to be Alberta's most important investment and trading partner for the foreseeable future. As illustrated by the data in Appendix III, 23 out of Alberta's top 30 export markets are U.S. states.

The U.S. is the source of two-thirds of Alberta foreign investment, takes 80% of our exports, and provides most of our foreign tourists and technology flows. Factors such as size and affluence of the economy, geographic proximity, ease of communication and similar operating conditions provide the driving force for the large investment and trade flows with the U.S.

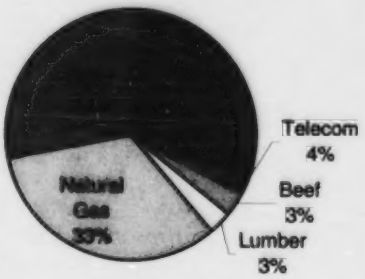
As a result of the Canada U.S. Free Trade Agreement and the North American Free Trade Agreement, Alberta has benefited greatly from the opportunities to attract investment and expand exports to nearly all regions of the U.S. The western part of the U.S. and California are important markets for tourism, food products, natural gas and investment. The eastern part of the U.S. is an important market for natural gas and investment, while the mid-west is a market for oil, gas, tourism and forest products.

Because one in four jobs in Alberta depend on exports to the U.S., it is critical to maintain and expand access to the U.S. market. Progress continued to be made in 1999-2000 in IIR's ongoing efforts to strengthen relations with the U. S. The province pursued its transboundary strategy through interaction with the U.S. government, individual U.S. states and through participation in regional organizations.

IIR helped strengthen Alberta's relations with Montana. The Montana/Alberta Bilateral Advisory Council met in June 1999 in Lethbridge, Alberta. As a result of the meeting, Alberta and Montana agreed to continued joint efforts in agriculture, cooperation on CANAMEX (a Canada - U.S. - Mexico seamless trade and transportation corridor), the creation of a single, harmonized permit system for transport trucks, and the development of a joint web site.

In March 2000, Premier Klein and Montana's Governor Racicot signed an agreement formalizing the Montana/Alberta Bilateral Advisory Council. The agreement commits to future cooperation in agriculture, transportation, tourism, trade, education and the environment. An important innovation was the creation of a process to informally discuss irritants so they can be resolved before resorting to more formal dispute resolution mechanisms.

Alberta's Top Exports to the United States (1999)



Oil and natural gas remain Alberta's primary exports to the U.S. (60% of total.)

The Extent of the CANAMEX Corridor

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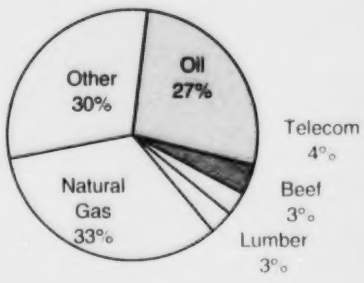

The Extent of the CANAMEX Corridor

The Alberta Montana Agricultural Opportunities Conference was held in Great Falls, Montana in June 1999, hosted by Premier Klein and Governor Racicot. Recommendations were developed at the conference that addressed cross-border agricultural trade issues and joint global trade issues.

IIR succeeded in building new relations with Idaho. Minister McClellan led a mission to Idaho in November 1999, during which Governor Dirk Kempthorne expressed interest in developing a more formal linkage between Idaho and Alberta. In January 2000, IIR participated in the Idaho Canada Agriculture Conference in Boise, Idaho that was aimed at breaking down misconceptions and misinformation among producers, and encouraging cooperation.

In June 1999, the annual meeting of the Pacific NorthWest Economic Region was held in Edmonton. IIR played a lead role in planning and hosting this meeting. Joint resolution of outstanding agricultural trade issues was discussed as well as opportunities for working together on projects of mutual economic benefit (e.g. transportation, tourism). Alberta's private sector played a strong role in the meetings.

IIR spearheaded the development of a formal link between the annual Western Premiers Conference and the Western Governors' Association to enhance cross-border cooperation and dispute avoidance in the West. The two groups plan to meet annually to work together on a broad range of topics including: border crossings, trade, transportation, agriculture, energy, environment, and tourism. The first meeting between the Western Governors' Association and the Western Premier's Conference was held in Drumheller in May 1999.

As a result of the directive by the premiers and governors to strengthen cross-border linkages, Alberta became a new associate member of the Council of State Governments –WEST (an organization of western American State legislators).

IIR worked with bordering states to oppose border crossings changes put forward under Section 110 of the U.S. *Illegal Immigration Reform and Immigration Responsibility Act.* This act would have resulted in significant delays at the border, with far-reaching negative consequences for both the Canadian and U.S. economies.

Mexico

Mexico is a growing trade and investment partner for Alberta. Alberta's exports to Mexico increased by 300% by the end of 1999 from pre-NAFTA 1993 levels. IIR aims to increase ties with Mexico's sub-national governments to facilitate cooperation on trade issues and to expand market opportunities with this

rapidly developing NAFTA partner. During 1999-2000, Mexico's Ambassador to Canada visited Alberta on numerous occasions, the Governor of Veracruz, the Governor of Chihuhua, and the Governor of Jalisco also visited Alberta.

Jalisco, Mexico became Alberta's sister province in June 1999. The agreement was signed by Premier Klein and Governor Cárdenas of Jalisco. Over 80 government officials and business leaders from Mexico accompanied the Governor to Alberta for the signing. Additional agreements were also signed between Jalisco and Alberta government departments in the areas of agriculture, health, education and economic development.

South and Latin America

IIR helped strengthen economic relations with Latin America during the visits by government leaders from Chile, Ecuador, Cuba, and Columbia. Alberta-based companies have major interests in these Latin American countries ranging from oil and gas and mining investments to educational and training programs.

IIR also initiated discussions with Neuquen, Argentina for a new Memorandum of Understanding on Economic Cooperation. Neuquen's strength as a major natural gas producer offers future potential opportunities for Alberta.

Asia

IIR was integrally involved in planning and coordinating Premier Klein's September 1999 mission to Asia. During the mission, Alberta showcased its energy, forestry, agriculture, tourism, high technology and manufacturing industries. In Japan, as part of the Team Canada Mission, three agreements between Alberta-based businesses and Japanese businesses were signed. Premier Klein also agreed to expand the economic aspects of the Alberta-Hokkaido relationships. Joint investment opportunities were explored in China, and two agreements were signed (one between an Alberta-based business and Heilongjiang's land reclamation bureau; and one between the University of Alberta and the Harbin Institute of Technology).

IIR was involved in planning and delivering programs for a number of high level Asian delegations, particularly the visit of Chinese Premier Zhu Rongji in April 1999. During the Premier's visit, Alberta promoted its key interests, and reinforced its strong economic ties with China.

IIR undertook participation as a key partner in the China Public Sector Reform Program, a $3.6 million program under the Canadian International Development Agency. The program is intended to share Canadian and Alberta expertise in the formulation and implementation of governance policies with Chinese officials.

Alberta celebrated the 25th anniversary of its sister-province relationship with the Korean province of Kangwon. The Governor of Kangwon led a delegation to Alberta to commemorate the anniversary and discuss with Premier Klein expanding the economic dimension of the sister province relationship. Later in the year, IIR contributed to Alberta's participation as the only Canadian representative in the Kangwon International Travel Exposition. This event enabled the province to showcase its tourism attractions in the rapidly-recovering Korean and larger Asian markets.

Russia

IIR maintained Alberta's strategic interest in Russia by participating in the Yeltsin Democracy Fellowship Program. This program contributes to Russia's democratic and market reforms by training approximately 40 Russian leaders each year. In 1999-2000, Alberta hosted and trained three Russian delegations.

IIR identified potential areas of cooperation with Alberta's sister provinces in Russia (Yamal-Nenets, Khanty-Mansiisk, and Tyumen). These included:

- information exchange on Aboriginal land use, natural resource development, and self government;
- educational exchanges between students and teachers; and,
- dialogue on the problems of alcoholism in remote northern regions.

Africa

In July 1999, IIR led a mission to Mpumalanga (South Africa) to assess Alberta's continued participation in the South Africa-Canada Program, a role that has involved governance advice on fiscal management, accountability and business planning. A proposal for the next phase of the initiative was developed during the mission. In March 2000, Minister McClellan addressed the Africa Direct conference of African business leaders, in Calgary.

Northern Forum

IIR continued to create linkages with key northern decision-makers, and to promote Alberta's expertise on northern development through Alberta's membership in The Northern Forum. This international organization tackles challenges faced by governments in northern regions. Initiatives undertaken in 1999-2000 included air quality monitoring, and a youth eco-forum.

Visits to Alberta by International Representatives

Country of Origin of Senior International Representatives who paid Official Visits to Alberta in 1999-2000

COUNTRY	NUMBER OF OFFICIAL VISITS
Europe	16
Asia/Pacific	14
Africa/Middle East	12
Russia/ Commonwealth of Independent States	10
United States/Mexico	9
South America	4

Throughout 1999-2000, IIR advanced Alberta's interests and explored potential areas of economic growth and partnership with about 65 senior international delegations who came to Alberta to learn about our economy, explore business opportunities, examine education programs, and develop ties to our energy and agriculture sectors. IIR worked in close partnership with the Alberta Government's Protocol Office and other departments in delivering programs for these delegations.

Translation Bureau

The Translation Bureau played a key role in helping Alberta Government departments promote the Alberta Advantage to international audiences. Through partnerships with private sector translators, government materials were translated into foreign languages and made available to international audiences. As well, interpreters were engaged to facilitate the visits of incoming foreign government delegations. For the first time, information on Alberta was made available on IIR's web-site in eight different languages.

Trade Policy

Trade is important to Alberta's economy. In the last decade, export of goods to all foreign countries rose by 136% or $17.7 billion. Alberta, with only 9% of Canada's population, accounts for more than 20% of the country's primary agricultural production, and is Canada's third largest provincial exporter, behind Ontario and Quebec and ahead of British Columbia. A rules-based trading environment is critical to Alberta's continued success as an exporter and importer of goods, services and investment.

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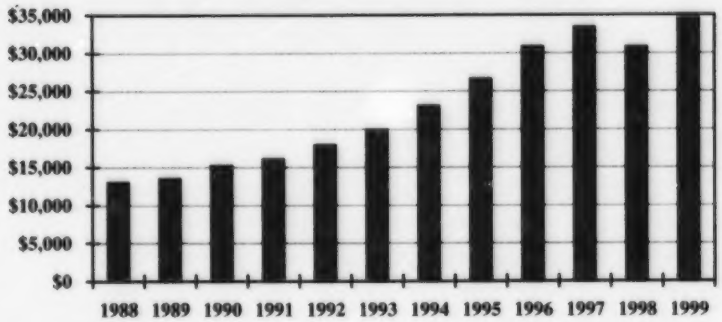
OUTCOME 3.2 Expanded trade liberalization and foreign market access for Albertans through international trade and investment agreements.

Alberta Merchandise Exports - 1988 to 1999
(in millions of dollars, Canadian)



World Trade Organization

Minister McClellan was a member of the Canadian delegation at the Third World Trade Organization Ministerial Conference in Seattle in late November/early December 1999, and actively participated in the meeting. The Minister conveyed Alberta's positions on a range of issues to the negotiating team, and successfully influenced the federal government's negotiating position. Alberta pushed for:

- greater trade and investment liberalization;
- elimination of agricultural export subsidies and increased access for agricultural products;
- better rules on trade laws such as "dumping";
- removal of barriers on exports of Alberta's environmental, engineering and energy services; and,
- tariff reductions in the chemical, forest products and equipment industries.

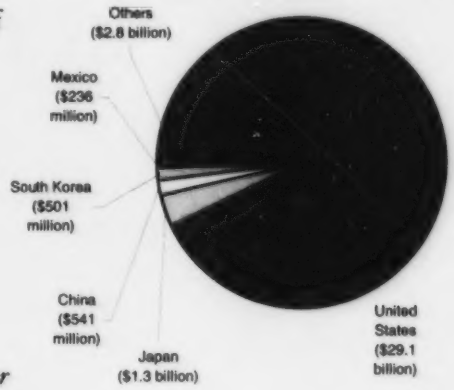
Even though a comprehensive trade round was not launched in Seattle, negotiations on agriculture and services began in early 2000. IIR consulted (in partnership with Agriculture, Food and Rural Development) with provincial and national stakeholders to help develop Alberta and Canadian negotiating positions on agriculture.

IIR also consulted with stakeholders on other World Trade Organization issues, such as services, investment, competition policy, and trade and the environment.

IIR facilitated private sector participation in the cross-country consultations carried out by the House of Commons *Standing Committee on Foreign Affairs and International Trade*, to ensure that Alberta's private sector priorities for World Trade Organization negotiations were provided directly to the federal government.

IIR developed Alberta's priorities for Canada's negotiations concerning China's accession to the World Trade Organization, and worked to ensure these priorities were incorporated into the final Canada-China agreement (completed in November 1999). Once it becomes a World Trade Organization member, China will be obliged to reduce trade barriers and adopt a rules-based approach to trade – a benefit to Alberta exporters.

Alberta's International Merchandise Exports in 1999



North American Free Trade Agreement

1999 marked the five-year anniversary of the implementation of the North American Free Trade Agreement (NAFTA). IIR issued a 10-year review of the Canada-U.S. Free Trade Agreement and a 5-year review of the NAFTA, highlighting the benefits Alberta experienced under these agreements in terms of exports, investment, employment and consumer wealth.

IIR continued to work closely with the departments of Environment and Labour on managing the NAFTA side agreements – the *North American Agreement on Environmental Cooperation* (NAAEC) and the *North American Agreement on Labour Cooperation* (NAALC). This included:

- ensuring Alberta's participation in the committee of officials established under the Canadian Intergovernmental Agreements regarding the *North American Agreement on Environmental Cooperation* and the *North American Agreement on Labour Cooperation*
- achieving a consensus that Canada should adopt Alberta's proposed approach to the preparation of the factual record in the "Friends of the Old Man River" case, under which it was alleged that there was a failure to enforce federal environmental laws regarding certain forestry projects in Alberta.

The department also reviewed studies regarding the effects of NAFTA in the health-care sector. IIR commissioned a legal review of the NAFTA implications of Alberta's Bill 11 (the *Health Care Protection Act*). The review was released publicly and used in the debate surrounding Bill 11.

Canada-U.S. Bilateral Issues

During the past year, IIR worked with Environment and Resource Development in industry consultations to develop Alberta's approach to the future of Canada-U.S. softwood lumber trade. The Canada-United States Softwood Lumber Agreement, signed in 1996, is a five-year agreement designed to reduce cross-border tensions related to Canadian lumber exports to the U.S. During the agreement, the U.S. has committed to not initiate trade action against Canadian softwood lumber, while exports from Alberta, British Columbia, Ontario and Quebec are subject to export permit fees and quotas. The agreement will expire on March 31, 2001.

The British Columbia Government's decision to reduce stumpage fees in June 1998 led to arbitration under the Canada-U.S. Softwood Lumber Agreement. IIR provided input to the federal government on the arbitration case. The outcome was a negotiated settlement in August 1999 that met Alberta's objectives: no trade restrictions on Alberta lumber and no U.S. retaliation affecting Alberta lumber exports.

IIR was also successful in influencing the U.S. Government's approach to a Department of Commerce investigation, which was initiated in April 1999, on the effect of imports of crude oil and refined petroleum products on U.S. national security. IIR actively worked with the Canadian Embassy in Washington, D.C., and several U.S. government departments in its efforts to minimize the investigation's impact on Alberta petroleum exports.

IIR worked with Agriculture, Food and Rural Development, the Alberta cattle industry, other provinces, the federal government, and Alberta's legal counsel in the U.S. to defend the Alberta cattle industry against subsidy allegations made by U.S. cattle producers in a countervailing duty investigation. Eventually, the U.S. government terminated the investigation and trade in an important agricultural product was not interrupted.

Regional and Bilateral Trade Agreements

IIR consulted with stakeholders and the private sector in the development of Alberta's positions regarding the negotiation of a Free Trade Area of the Americas. North, Central and South American countries have committed to negotiating a hemispheric free trade agreement by 2005.

IIR identified Alberta's priorities in the removal of tariff and non-tariff barriers as part of the ongoing Canada-European Free Trade Association Free Trade Agreement (EFTA) negotiations. Canada and the EFTA countries are trying to conclude a free trade agreement by the end of 2000.

IIR informed the federal government of Alberta's support for future Canada-Costa Rica Free Trade Agreement negotiations.

IIR developed Alberta's approach to Canada's ratification of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (also known as the ICSID Convention). An important element of this approach was to ensure Alberta's jurisdiction and authority regarding investment in the province was maintained and respected. The federal government accepted Alberta's approach.

IIR worked with other departments in 1999-2000 to ensure that initiatives to eliminate technical barriers to trade (e.g., mutual recognition agreements and arrangements between Canada and

members of the Asia-Pacific Economic Cooperation forum, the European Union, and the European Free Trade Association) not impair the ability of provincial regulators to continue to act to protect the health and safety of Albertans.

Trade Studies

IIR commissioned or cooperated in the development of the following studies:

- **Alberta Service Exports Study**, 1999 (in cooperation with Economic Development);
- **Alberta Tariff Reduction and Elimination Priorities**, 1999;
- **An Examination of the Tariffs on Alberta's Exports** that Experienced Rapid Growth in the Manufacturing Sector; and,
- **Alberta Non-Tariff Trade Barriers Study**, 2000 (in cooperation with Economic Development).

IIR's website continued to offer a wide range of information related to current initiatives and provided a means for interested Albertans to provide input to Alberta government officials on international trade policy issues.

Federal-Provincial Relations

IIR continued to participate in the federal-provincial-territorial committee of officials responsible for trade policy ("C-Trade"). This committee met a number of times in 1999-2000, and has become a driving force in promoting ongoing federal-provincial-territorial dialogue on international trade policy issues that affect Canada.

IIR continued to press the federal government to develop a formal federal-provincial agreement for full provincial participation in the negotiation and management of agreements affecting provincial jurisdiction.

IIR provided advice to Alberta Environment regarding trade-related aspects of the proposed federal freshwater strategy, particularly the proposed Canada Accord on bulk removals of water. Alberta declined to sign the proposed accord because several issues were not satisfactorily addressed.

IIR coordinated a position paper on Alberta's priority economic and trade interests in China in preparation for an upcoming bilateral meeting of the Canada-China Joint Economic and Trade Commission. The paper included key trade policy issues and Alberta's views on China's impending accession to the World Trade Organization.

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OUTCOME 3.3 Canadian foreign policies and positions reflect Alberta's priorities and interests.

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Report of The Auditor General on the Results of Applying Specified Audit Procedures to Performance Measures

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly:

I have performed the following procedures in connection with the Ministry of International and Intergovernmental Relations' performance measures included in the **1999-2000 Annual Report of the Ministry of International and Intergovernmental Relations** as presented on pages 30 to 34:

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.

2. The calculations which converted source information into reported measures were tested.

3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit of the set of performance measures and therefore I express no opinion on the set of measures included in the **1999-2000 Annual Report of the Ministry of International and Intergovernmental Relations.**

Peter Valentine

FCA
Auditor General

Edmonton, Alberta
August 11, 2000

Results Analysis and Performance Measures

IIR's goals are focused on the long-term, and our success depends on many factors and other players in addition to the ministry itself. Results often take many years to achieve, and are measured in non-numerical ways.

The chief measure is the narrative account of achievements and results outlined in the **Annual Report** of the ministry. This is a vital document in chronicling the year-to-year progress on goals that are multi-year if not generational in their scope.

A key element in IIR's success is the quality of the relationships it builds with clients (especially other Alberta departments) and partners (other governments and Aboriginal groups). To help advance Alberta's interests, these relationships must be developed and fostered over the long term. As a result, client and partner feedback is key instruments for assessing the quality and effectiveness of these relationships.

Another important measure of the ministry's success is the regular tracking by polling of the views of Albertans on the performance of their government in two areas, intergovernmental relations and Aboriginal relations.

In summary, IIR measures its performance in several ways, including:

- Narrative records of performance (**Annual Report**, mission reports)
- Comprehensive client satisfaction surveys
- Intermediate outcomes or progress reports on long term issues
- Secondary economic and socio-demographic indicators
- Polling by Environics Canada on the views of Albertans.

Description of Performance Measures

Through narrative records, the ministry outlines intergovernmental and Aboriginal outcomes and events with a view to assessing how they conformed to Alberta's objectives. The primary record is the **Annual Report**. Other records include communiqués from major intergovernmental meetings such as the 40th Annual Premiers' Conference (August 1999) and the Western Premiers' Conference (May 1999), and reports on missions such as the **Premier's Mission to Japan and China** (September 1999).

Comprehensive Client Satisfaction Surveys

Through regular surveys, IIR consults with clients on its contribution to advancing Alberta's priorities and positions. These surveys can consist of a mix of written questionnaires (for most clients), focus groups (for frequent users) and in-person interviews (for senior-level clients). Given the scope of the survey, and the demands it places on respondents, surveys are conducted every two years. The last survey was conducted in 1999 (see the **26th Annual Report of Intergovernmental and Aboriginal Affairs**), and another will be conducted in 2000-01.

The 1999 survey consisted of written questionnaires and a small sample of in-person interviews. It indicated that clients consistently rate IIR high on satisfaction with services provided. The target level of 4 out of 5 was met or exceeded in all service areas.

To ensure useful and credible survey feedback, IIR follows these principles:

- A third party conducts surveys, with anonymity guaranteed.
- Selection of surveyed clients is inclusive. Known critics are included.
- Questions are probing and related to IIR goals and strategies.
- Surveys are followed up by an action plan.

Intermediate Outcomes or Progress Reports

IIR also measures outcomes through status reports on major projects, such as the regular **Progress Report to Premiers**, coordinated for the Provincial/Territorial Council on Social Policy Renewal (e.g. **Report #4**, August 1999).

Status reports are also used to provide an intermediate outcome measure on the implementation of the Agreement on Internal Trade and the progress of complaints and disputes under that agreement (e.g. *Agreement on Internal Trade: Update*, March 2000, available on the department's website). Preparing such regular progress reports and measuring intermediate outcomes allows governments and taxpayers to keep track of complex, long-term issues.

Secondary Economic and Socio-demographic Indicators

IIR reports on a number of secondary indicators that track macro-economic and socio-demographic trends. While not direct measures of IIR's performance, these indicate the environment within which IIR works to achieve its goals.

The Aboriginal socio-demographic trends (published in Alberta's **Aboriginal Population: Selected Socio-demographic Characteristics**) provide valuable information on the policy needs of Aboriginal people in Alberta. They reflect the different socio-economic situations of Indian and Metis people.

Trade statistics that indicate the province's export performance (available on the department's website) are the result of many factors. Exports may increase because of fluctuations in world commodity prices or the Canadian dollar. In other cases, Alberta's trade performance reflects the aggressiveness of the Alberta private sector in opening up new markets. Some of the trade performance increase can be attributed to Alberta government successes in removing trade barriers in key markets or in resolving trade disputes that deter exports. Trade may also increase through door-opening contacts made on a Team Canada mission or in Alberta, through receiving foreign decision-makers.

Public Polling

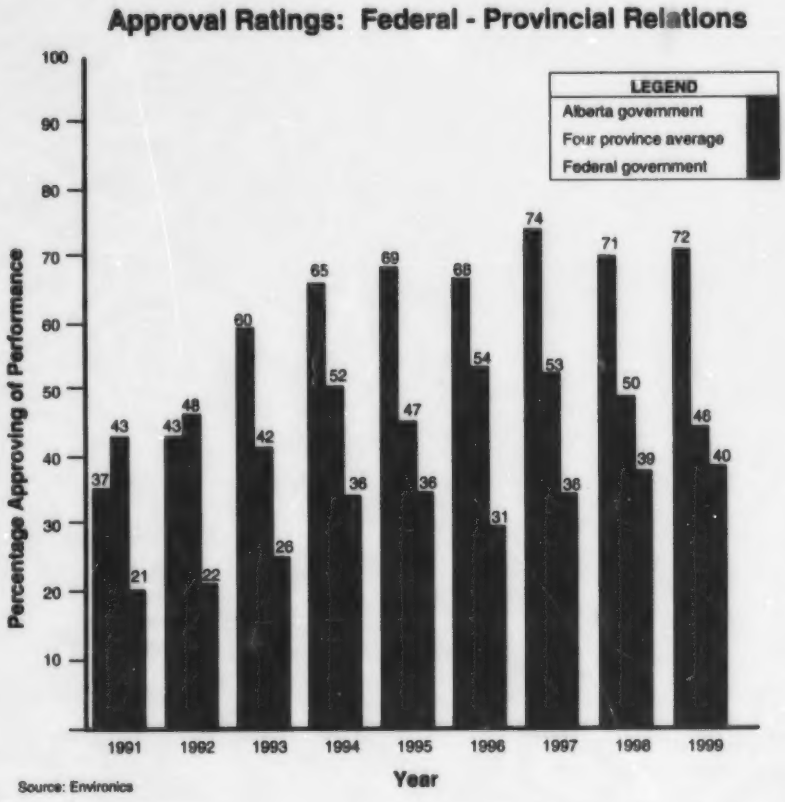
An important measure of Alberta government performance in intergovernmental and Aboriginal affairs is public polling data on the satisfaction level of Albertans in these areas. This polling data does not relate directly to the performance of the ministry, but tracks the performance of the government and the Premier. The ministry plays an important role in supporting the Premier and Cabinet in achieving intergovernmental and Aboriginal goals.

Polling data is based on a national opinion poll conducted four times a year by Environics Canada, surveying provincial and federal government performance, as reported in the **Focus Canada Report**. (Environics generally surveys approximately 2000 Canadians with a +/- 2% margin of error 19 times out of 20.) Respondents are specifically asked to rate their approval or disapproval of the way their government (both provincial and federal) is handling federal-provincial relations and Aboriginal affairs. The average of the four surveys each year shows the percentage of citizens approving of their respective governments' performance.

Alberta's target is to maintain the government's public approval rating in federal-provincial relations and Aboriginal affairs on a par with the average of British Columbia, Saskatchewan, Manitoba and Ontario. These four provinces are used as a benchmark because they are closest to Alberta in terms of geography, history, demographics and political concerns.

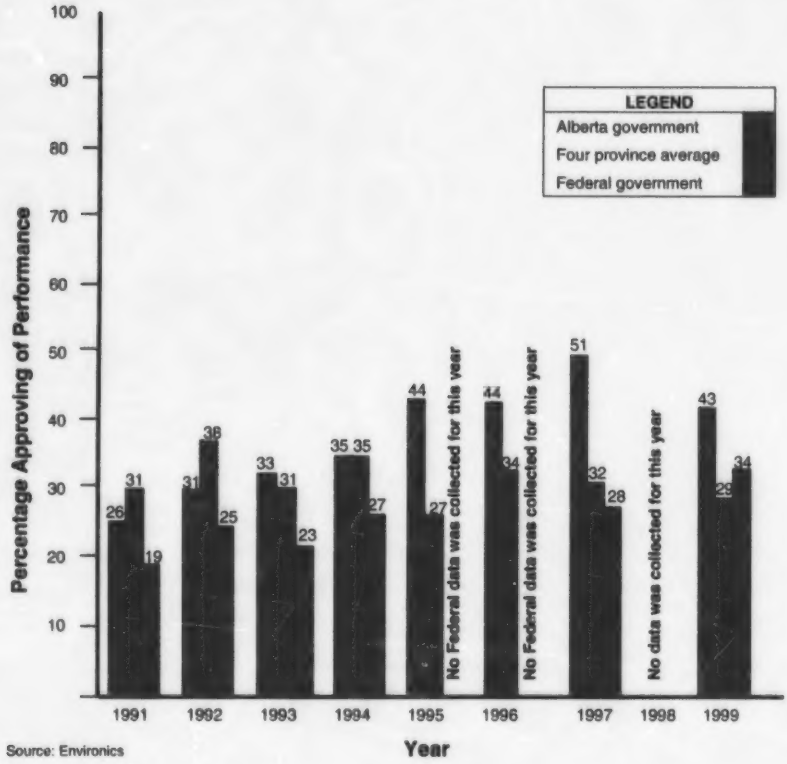
Alberta's approval rating in 1999 for federal-provincial relations was 72%. The four-province average was 46% and the federal government rating was 40%. A similar poll on Aboriginal relations showed an Alberta approval rating of 43% versus a four-province average of 29%. The federal government rating was 34%.

The following graph shows approval ratings of government performance in intergovernmental relations:



This next graph shows approval ratings of government performance in Aboriginal relations:

Approval Ratings: Aboriginal Relations



Source: Environics

Government-wide Measures

The polling data described above is the key measure for Goal 18 of the **Government of Alberta's Business Plan (1999-2000, restated)**: Alberta will work with other governments and maintain its strong position in Canada.

The ministry also helped realize the following government-wide goals:

Goal 2: Our children will be well cared for, safe, successful at learning and healthy. (IIR outcomes 1.2 and 2.1)

Goal 6: Alberta will have a prosperous economy. (IIR outcomes 1.4, 3.1 and 3.2)

Goal 7: Our workforce will be skilled and productive. (IIR outcome 1.4)

Goal 13: Alberta business will increase exports. (IIR outcomes 3.1 and 3.2)

Goal 16: The high quality of Alberta's environment will be maintained. (IIR outcome 1.2)

Financial Statements

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

- **Auditor's report**
- **Statement of operations**
- **Statement of changes in financial position**
- **Statement of financial position**
- **Notes to the financial statements**
- **Schedules to the financial statements:**

  SCHEDULE 1 - Budget

  SCHEDULE 2 - Comparison of voted expenses by program element to authorized budget

  SCHEDULE 3 - Voted expenses detailed by object

  SCHEDULE 4 - Related party transactions

  SCHEDULE 5 - Salary and benefits disclosure

Auditor's Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly:

I have audited the statement of the financial position of the Ministry of International and Intergovernmental Relations as at March 31, 2000 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry of International and Intergovernmental Relations is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across ministries. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservation of opinion in this auditor's report identifies the exceptions from generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury.

The following accounting policies employed are exceptions from generally accepted accounting principles:

Excluded direct costs

Accommodation and certain other administration costs incurred in the operation of the ministry have not been included in expenses. These costs, estimated at $1,422,000, are recorded by the departments that paid the expenses on behalf of the Ministry of International and Intergovernmental Relations.

Capital assets

Capital assets costing less than $15,000 have been expensed in the year acquired and have not been recognized as assets in the accompanying statement of financial position. Consequently, the annual amortization of these assets have not been recognized in the statement of operations. In my view, an amount of approximately $482,000, representing the net book value of these assets as at March 31, 2000 should be recognized in these financial statements. The effect of this understatement of assets is to overstate expenses by approximately $65,000 for the year ended March 31, 2000.

In my opinion, except for the effects of the matters discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the ministry as at March 31, 2000 and the results of its operations and the changes in its financial position of the year then ended in accordance with generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
May 24, 2000

Statement of Operations

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

	(In thousands)		
	2000		1999
	Budget (Schedule 1)	Actual	Actual
Revenues			
Internal government transfers			
Contribution from the Lottery Fund	$ 11,300	$ 11,300	$ -
Other revenue	-	42	50
	11,300	11,342	50
Expenses			
Voted (Schedules 2 and 3):			
International and Intergovernmental Relations	12,154	16,651	12,506
Metis Settlements Governance	11,806	11,954	12,529
	23,960	28,605	25,035
Statutory:			
Metis Settlements Legislation	10,000	10,000	10,000
Valuation adjustments:			
Provision for vacation pay	-	75	56
Total expenses	33,960	38,680	35,091
Net operating results	$ (22,660)	$ (27,338)	$ (35,041)

The accompanying notes and schedules are part of these financial statements.

Statement of Changes in Financial Position

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

	(In thousands)	
	2000 Actual	1999 Actual
Operating transactions		
Net operating results	$ (27,338)	$(35,041)
Non cash items:		
Valuation adjustments	75	56
	(27,263)	(34,985)
Decrease (increase) in accounts receivable	(12)	(8)
Decrease (increase) in advances	(8)	(1)
Increase (decrease) in accounts payable	(4,853)	(3,239)
Cash used by operating transactions	(32,136)	(38,233)
Financing transactions		
Net transfer from General Revenues	32,096	38,268
Net cash provided	(40)	35
Cash at beginning of year	41	6
Cash at end of year	$ 1	$ 41

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

	(In thousands)	
	2000	1999
Assets		
Financial assets:		
Cash	$ 1	$ 41
Accounts receivable	41	29
Advances	21	13
	$ 63	$ 83
Liabilities		
Accounts payable (Note 4)	$ 6,743	$ 11,521
Net liabilities		
Net liabilities at beginning of year, as restated (Note 3)	(11,438)	(14,665)
Net operating results	(27,338)	(35,041)
Net transfer from General Revenues	32,096	38,268
Net liabilities at end of year	(6,680)	(11,438)
	$ 63	$ 83

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

Note 1 Authority and Purpose

The Minister of International and Intergovernmental Relations has been designated as responsible for various Acts by the Government Organization Act and its regulations. As at March 31, 2000, the Minister was responsible for administration of the following Acts:

- *Constitutional Referendum Act*
- *International Trade and Investment Agreements Implementation Act*
- *Senatorial Selection Act*
- *Constitution of Alberta Amendment Act, 1990*
- *Metis Settlements Act*
- *Metis Settlements Accord Implementation Act*
- *Metis Settlements Land Protection Act*

The purpose of the Ministry of International and Intergovernmental Relations is to lead the development of government-wide strategies and policies for Alberta's relations with other Canadian governments (federal, provincial, and Aboriginal), the Aboriginal community, and international governments and organizations.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the Government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting entity

The reporting entity is the Ministry of International and Intergovernmental Relations and is comprised of the Department of International and Intergovernmental Relations for which the Minister of International and Intergovernmental Relations is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Provincial Treasurer administrates the Fund. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of financial reporting

Revenues

All revenues are reported using the accrual method of accounting.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Expenses represent the costs of resources consumed during the year on the ministry's operations.

Pension costs included in these statements comprise the cost of employer contributions for the current service of employees during the year and additional employer contributions for service relating to prior years.

Certain expenses, primarily for office space, legal advice, and banking services, incurred on behalf of the ministry by other Ministries are not reflected in the Statement of Operations. Schedule 4 discloses information on these related party transactions.

Valuation Adjustments

Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to employee vacation pay.

Assets

Financial assets of the ministry are limited to financial claims, such as advances to and receivable from other organizations, employees and other individuals. The fair values of the financial assets are estimated to approximate their book values. Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Accounts receivables are non-interest bearing and unsecured.

Advances represent amounts provided to department employees for travel expenses and are non-interest bearing and recoverable on demand.

The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. The ministry has no capital assets exceeding these thresholds.

Liabilities

Liabilities include all financial claims payable by the ministry at fiscal year end. The fair value of accounts payable is estimated to approximate its book value.

Net Liabilities

Net liabilities represents the difference between the value of assets held by the ministry and its liabilities.

Note 3 Reorganization

There were some changes in the responsibilities of the ministry as a result of a major reorganization announced by the government on May 25, 1999 and transfers of responsibility announced throughout the year. As part of these changes, the Ministry of International and Intergovernmental Relations assumed responsibility for the activities of the Ministry of Intergovernmental and Aboriginal Affairs. Comparatives for 1999 have been restated as if the ministry had always been assigned its current responsibilities.

	(In thousands)
Net liabilities, as previously reported by the Ministry of Intergovernmental and Aboriginal Affairs at of March 31, 1998	$ (14,719)
Transfer to Executive Council	54
Net liabilities, as restated at March 31, 1998	$ (14,665)

Note 4 Accounts Payable

	(In thousands)	
	2000	1999
Accounts payable	$ 68	$ 129
Accrued liabilities:		
- Litigation and third party costs associated with Indian Land Claims	4,797	9,334
- Vacation	689	614
- Grants	308	830
- Other	881	614
	$ 6,743	$ 11,521

Note 5 Commitments

As at March 31, 2000, the ministry has a commitment of $70 million (1999 - $80 million) under the *Metis Settlements Accord Implementation Act.* The Act requires payment of $10 million per year until April 1, 2006.

In prior years, the Matching Grants Replacement Agreement between the ministry and the Metis Settlements General Council provided for a commitment of funding to the Metis Settlements General Council. This agreement expired on March 31, 2000. Although this agreement expired, there remains under Section 7(1) of *the Metis Settlements Accord Implementation Act* a commitment estimated at $9,061,000 for 2000-2001.

Sections 7, 8 and schedule 1 of the *Metis Settlements Accord Implementation Act* outline future obligations with respect to matching double the amount the Settlements Council collects from eligible sources each year until March 31, 2002 and providing matching grants in the years from April 1, 2002 to March 31, 2007. The amounts of these future year obligations cannot be determined.

Note 5 Commitments (continued)

The ministry has entered into various fee for service contracts in the amount of $749,000 (1999 - $792,000). The aggregate amounts payable for the terms that are not expired in these contracts are as follows:

	(In thousands)
2001	$ 555
2002	194
	$ 749

Note 6 Contingent Liability With Respect to Indian Land Claims

The Province, as represented by the Ministry of International and Intergovernmental Relations, has a contingent liability in respect of 36 claims (1999 - 28 claims) concerning aboriginal rights, Indian title and treaty rights. In most cases, these claims have been filed jointly and severally against the Province of Alberta and the Government of Canada, and in some cases involve third parties. Twenty (1999 - 17) of these claims have specified amounts totaling $107,826 million (1999 - $107,423 million). The other claims have not specified any amounts. At this time, the outcome of these claims cannot be determined. In addition, there are four treaty land entitlement claims (1999 - five claims) for which Alberta may have an obligation under the Natural Resource Transfer Agreement (NRTA).

Note 7 Pensions

The ministry participates in the multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The ministry also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers established by the government effective July 1, 1999. The expense for these pension plans is equivalent to the annual contributions of $349,000 for the year ending March 31, 2000 (1999 - $313,000).

Effective January 1, 1999, the ministry's contribution to the Public Service Pension Plan was reduced by 0.3% of pensionable salaries.

At December 31, 1999, the Management Employees Pension Plan reported a surplus of $46,019,000 (1998 - $4,355,000) and the Public Service Pension Plan reported a surplus of $517,020,000 (1998 - $406,445,000). At December 31, 1999, the Supplementary Retirement Plan for Public Service Managers had a surplus of $33,000.

Note 8 Approval of Financial Statements

The Senior Financial Officer and the Deputy Minister approved these financial statements.

Schedule of Budget

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

Schedule 1

	(In thousands)		
	2000		
	Estimates and Budget Restated (a)	Authorized Supplementary (b)	Authorized Budget
Revenue			
Internal governmental transfers	$ 11,300	$ -	$ 11,300
Other revenue	-	-	-
	11,300	-	11,300
Expenses			
Voted (c):			
International and Intergovernmental Relations	12,154	4,661	16,815
Metis Settlement Governance	11,806	-	11,806
	23,960	4,661	28,621
Statutory (d):			
Metis Settlements Legislation	10,000	-	10,000
Valuation adjustments (d):			
Provision for vacation pay	-	-	-
Total expenses	33,960	4,661	38,621
Net operating results	$ (22,660)	$ (4,661)	$ (27,321)

(a) Effective April 1, 1999, the responsibilities of the ministry changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999, for both the major reorganization and transfers of responsibility authorized during the year.

(b) Supplementary Estimates approved on December 9, 1999. Included in the Supplementary Estimates was $700,000 for the costs associated with the province's negotiation with the Peigan Nation and $3,750,000 for the Salt River (Smith's Landing) land claim settlement. In addition, Supplementary Estimates approved on March 14, 2000 included $16,600,000 for an achievement bonus program for government employees. These funds were placed temporarily in a central pool administered by Personnel Administration Office and then distributed to Ministries. The amount distributed to the Ministry of International and Intergovernmental Relations was $211,000.

(c) In the event that actual voted expenses exceed the authorized budget, the difference is known as an encumbrance, and reduces the budgeted amount in the subsequent year.

(d) In the event that actual statutory expenses and actual valuation adjustments exceed the authorized budget, there is no impact to the budgeted amount in the subsequent year.

Comparison of Voted Expenses by Program Element to Authorized Budget

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

Schedule 2

	(In thousands)				
		2000			
	Estimates and Budget Restated	Authorized (Supplementary (b)	Authorized Budget (c)	Actual Expense	Unexpended (Over Expended)
Voted expenses					
International and Intergovernmental Relations:					
Minister's Office	$ 290	$ 12	$ 302	$ 301	$ 1
Associate Minister's Office	280	9	289	288	1
Corporate Services	2,314	34	2,348	2,355	(7)
International Relations	971	26	997	1,250	(253)
Trade Policy	637	30	667	808	(141)
Canadian Intergovernmental Relations	1,437	45	1,482	1,396	86
Aboriginal Self-Reliance	620	12	632	785	(153)
Aboriginal Relations	4,069	728	4,797	4,539	258
Indian Land Claims	1,536	3,765	5,301	4,929	372
	12,154	4,661	16,815	16,651	164
Metis Settlement Governance:					
Metis Settlements Transition Commission - operating expense Funded by Lotteries	2,078	-	2,078	2,078	-
Metis Settlements Appeal Tribunal - operating expense	506	-	506	654	(148)
- operating expense Funded by Lotteries	452	-	452	452	-
Metis Settlements Funding - operating expense Funded by Lotteries	8,770	-	8,770	8,770	-
	11,806	-	11,806	11,954	(148)
Total voted expenses	$ 23,960	$ 4,661	$ 28,621	$ 28,605	$ 16

(a) Effective April 1, 1999, the responsibilities of the ministry changed as result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility authorized during the year.

(b) Supplementary Estimates were approved on December 9, 1999. Included in the Supplementary Estimates was $700,000 for the costs associated with the province's negotiation with the Peigan Nation and $3,750,000 for the Salt River (Smith's Landing) land claim settlement. In addition, Supplementary Estimates approved on March 14, 2000 included $16,600,000 for an achievement bonus program for government employees. These funds were placed temporarily in a central pool administered by Personnel Administration Office and then distributed to Ministries. The amount distributed to the Ministry of International and Intergovernmental Relations was $211,000.

(c) The total authorized budget represents the ministry's funding for operating purposes as approved by the Legislative Assembly.

Voted Expenses Detailed by Object

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

Schedule 3

	(In thousands)		
	2000		1999
	Budget (a)	Actual	Actual
Grants:			
Metis Settlements Funding	$ 8,770	$ 8,770	$ 9,470
Metis Settlements Transition Commission	2,078	2,078	1,888
Other grants	3,336	3,382	3,701
	14,184	14,230	15,059
Salaries, wages and employee benefits	5,277	5,381	5,497
Supplies and services:			
Litigation and third party claims associated with Indian Land Claims	1,208	4,470	818
Support service arrangements with related parties (b)	225	225	220
Miscellaneous	2,968	4,222	3,348
	4,401	8,917	4,386
Other	98	77	93
	$ 23,960	$ 28,605	$ 25,035

a) Effective April 1, 1999, the responsibilities of the ministry changed as a result of a major reorganization and other transfers of responsibility announced by the government during the year. This budget amount has restated the 1999-2000 Government and Lottery Fund Estimates that were approved on April 29, 1999 for both the major reorganization and transfers of responsibility authorized during the year. The breakdown of expenses by object is based on management's best estimate.

b) The ministry receives financial, payroll, human resource and administrative services from the Department of Learning.

Related Party Transactions

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

Schedule 4

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The ministry had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties.

	(In thousands)	
	2000	1999
Revenues		
Contributions from the Lottery Fund	$ 11,300	$ -
Expenses		
Supplies and services provided by other ministries	$ 48	$ 54

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	(In thousands)	
	2000	1999
Expenses (notional)		
Accommodation	$ 1,302	$ 987
Legal services	120	79
	$ 1,422	$ 1,066

Salary and Benefits Disclosure

Ministry Of International and Intergovernmental Relations

For the year ended March 31, 2000

Schedule 5

	2000			1999
	Salary [1] [2]	Benefits and Allowances [1] [3]	Total	Total
Current Executives [1]				
Deputy Minister [4]	$ 152,800	$ 32,186	$ 184,986	$ 156,892
Other Executives:				
Assistant Deputy Minister - International Relations	101,861	31,606	133,467	113,267
Executive Director - Canadian Intergovernmental Relations	91,067	15,684	106,751	111,462
Executive Director - Trade Policy	98,949	17,443	116,392	103,934
Executive Director - Aboriginal Relations	96,362	15,916	112,278	98,322
Executive Director - Indian Land Claims	90,830	15,673	106,503	107,532
Director - Corporate Services	72,820	14,970	87,790	84,372
Former Executives [1]				
Assistant Deputy Minister - Aboriginal Self-Reliance	49,578	6,819	56,397	113,409

(1) This schedule is prepared in accordance with Treasury Board Directive 12/98. It includes the salary and benefits of:

Current Executives:

This includes the salary and benefits of the last incumbent. Where the last incumbent has held the position for part of the year, his/her salary and benefits as an executive in previous positions within the government reporting entity are also included.

Former Executives:

This includes the salary and benefits of former executives who left the government during the year or who no longer hold an executive position with the government.

(2) Salary includes regular base pay, bonuses, overtime and lump sum payments.

(3) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships, tuition fees and vacation payouts.

(4) Automobile provided, no dollar amount included in benefits and allowance figures.

(5) Includes vacation pay-out in lieu of vacation earned, but not taken for the Assistant Deputy Minister, International Relations ($7,598), and the Director of Corporate Services ($2,435).

Appendix I

Intergovernmental Agreements

Ministry Of International and Intergovernmental Relations

Signed April 1999 through March, 2000

Date	Title	Alberta Ministry
04/01/1999	A Protocol among the Metis Settlements General Council, the Metis Settlements Child and Family Services Authority Region 18), the Department of Justice Canada, and the Department of Justice Alberta to undertake the development and implementation of community-based alternative justice programs.	Justice
04/01/1999	Agreement between Alberta Public Works, Supply and Services, the Alberta Research Council and the National Research Council of Canada for the Sublet of Office Space in the University Research Park, Calgary building.	Public Works, Supply and Services
04/01/1999	Agreement between Alberta Research Council (ARC), National Research Council (NRC), and National Centre for Upgrading Technology (NCUT) regarding the assignment of ARC staff.	Alberta Research Council
04/01/1999	Agreement between Canadian Wiidlife Service (Environment Canada) and the Alberta Research Council regarding Ecological Basis for Retaining Structure in Cut-Blocks.	Alberta Research Council
04/01/1999	Agreement on Educational Assessment Services between Saskatchewan and Alberta.	Advanced Education & Career Development
04/01/1999	Articles of Agreement between Health Canada and Alberta Health for the provision of Provincial Tuberculosis Control Program Services.	Health
04/01/1999	Auxiliary Agreement on the Construction / Renovation of the Centre Residential Saint-Jean of the University of Alberta.	Advanced Education & Career Development
04/01/1999	Canada - Alberta Memorandum of Agreement for Federal Funding to Implement the Child Support Guidelines.	Justice
04/01/1999	Contribution Agreement No. 341318 on Promotion of technology by Canadian Firms via IRAP Program 1999 / 2000.	Alberta Research Council
04/01/1999	Cooperative Enforcement Agreement on Consumer Related Measures.	Municipal Affairs
04/01/1999	Entry of Nunavut into the Canadian Motor Vehicle Arbitration Plan (CAMVAP).	Municipal Affairs
04/01/1999	Establish a Aquaculture Centre for Cold Climates. Western Diversification Project No. A98PE0001.	Alberta Research Council
04/01/1999	Exchange of Services Agreement between the Solicitor General Canada and the Minister of Justice and Attorney General of Alberta respecting the confinement of Offenders in Correctional facilities and Federal Penitentiaries.	Justice
04/01/1999	Memorandum of Agreement Respecting Basic Federal Contributions to Juvenile Justice Services under the Young Offenders Act.	Justice
04/01/1999	Memorandum of Agreement Respecting Supplementary Federal Contributions to Juvenile Justice Services under the Young Offenders Act.	Justice
04/01/1999	Memorandum of Understanding between Lakeland College and Saskatchewan Post-Secondary Education and Skills Training.	Advanced Education & Career Development
04/01/1999	Reciprocal Billing Agreement between Alberta and Nunavut relating to the provision of hospital in-patient and out-patient services.	Health
04/01/1999	Renewal Agreement between Transport Canada and Alberta Infrastructure concerning funding for systems work necessary to the National Safety Code.	Public Works, Supply & Services

Date	Title	Alberta Ministry
04/01/1999	Splitting Wheat Straw to Improve Wheat Straw Board Products. Western Diversification Project Agreement No. A98PE0006.	Alberta Research Council
04/01/1999	Stand Health Factors Affecting the Regeneration of Healthy, Mature and Over-Mature Aspen.	Alberta Research Council
04/01/1999	Standing Offer for the Supply of Vials of Washed Drill Cuttings from Alberta Wells.	Energy
04/10/1999	Feasibility Project Agreement on Production & Evaluation of a Novel Pathogen for Sustainable Management of Bertha Armyworm in Canola.	Alberta Research Council
04/15/1999	Access to Information Renewal Agreement in Alberta Registries by Royal Canadian Mounted Police (RCMP).	Municipal Affairs
04/28/1999	Memorandum of Understanding on Management of Mountain Pine Beetle (MPB) in the Holmes River of B.C. and Willmore Wilderness	Environment Park of Alberta.
05/01/1999	Contract between the Department of Resources, Wildlife, and Economic Development, Northwest Territories and the Alberta Research Council to provide test results for fuel samples.	Alberta Research Council
05/21/1999	Amendment to Service Contract #332100, Petroleum Fuel Sample Testing Services, between Nunavut Public Works, Telecommunications & Technical Services and the Alberta Research Council.	Alberta Research Council
05/28/1999	Reciprocal Transfer Agreement between Ontario Colleges of Applied Arts and Technology Pension Plan and the Province of Alberta.	Treasury
06/12/1999	Contract to provide the National Research Council with access to the Local Area Network.	Alberta Research Council
06/15/1999	Railway Safety Inspection Services Agreement.	Infrastructure
06/16/1999	Amendment to Western Economic Partnership Agreement to provide research and development costs for equipment for splitting wheat straw.	Alberta Research Council
06/16/1999	Amendment to Western Economic Partnership Agreement to development funds for the development of an Aquaculture Centre for cold climates in limited water regions.	Alberta Research Council
06/24/1999	Canada - Alberta Agreement on Environmental Assessment Cooperation.	Environment
06/28/1999	Water Monitoring on Peavine Metis Settlement - South Heart River	Environment
06/30/1999	Agreement on Interjurisdictional Cooperation with Respect to Fisheries and Aquaculture with County of Forty-Mile No.8 (Milk River), Agriculture and Agri-Food Canada.	Environment
06/30/1999	Agreement on Interjurisdictional Cooperation with Respect to Fisheries and Aquaculture.	Environment
07/01/1999	Amendment of Supplementary Use and Occupancy Agreement between Alberta Infrastructure, the Alberta Research Council, and the National Research Council of Canada concerning Edmonton buildings.	Infrastructure
07/01/1999	Agreement between Alberta Research Council and Environment Canada to Conduct Coalbed Methane Study, Part A as per June 1999 project entitled "Sustainable Development of Coalbed Methane: A Life-Cycle Approach to Production of Fossil Energy."	Alberta Research Council
07/15/1999	Reciprocal Transfer Agreement between Alberta and Manitoba Municipal Employees Pension Plan.	Treasury
07/16/1999	Agreement with Geological Survey of Canada in Coordination of Government Geoscience Programs (GSC) in Alberta.	Resource Development
07/21/1999	Canada - Alberta - County of Forty Mile No. 8 Agreement on Milk River Aquifer Reclamation and Conservation Program.	Environment
08/10/1999	Agreement on the Services for the Delivery of the Grassroots Program 1999-2000 between Industry Canada and Alberta Learning to integrate information and communications technology in K-12 education.	Learning

Date	Title	Alberta Ministry
08/12/1999	Memorandum of Understanding Regarding the Implementation of Programs and Services under the Federal Aboriginal Justice Strategy in Alberta.	Justice
10/01/1999	Amendment to Supplementary Use and Occupancy Agreement - ARC Millwoods Facility between Alberta Infrastructure, the Alberta Research Council, and the National Research Council of Canada.	Infrastructure
10/15/1999	Dedication Document between the Tsuu-T'ina Nation and the Province of Alberta agreeing to Implement a comprehensive First Nation Justice and Peacemaker initiative in accordance with certain principles.	Justice
11/01/1999	Amendment of Supplementary Sublease Agreement of Calgary Buildings between Alberta Infrastructure, the Alberta Research Council, and the National Research Council of Canada.	Infrastructure
11/02/1999	Amendment to the Agreement to Exchange Information and Enhance Cooperation between Revenue Canada and Alberta Treasury.	Treasury
11/03/1999	Interim Cooperation Agreement between Revenue Canada and Alberta Treasury and Alberta Liquor and Gaming to curb the illegal sale and smuggling of tobacco products into Alberta.	Treasury
12/01/1999	Assignment of Partial Leasehold Interest to: Saskatchewan Property Management Corporation, Lloydminster Facility.	Infrastructure
12/01/1999	Memorandum of Understanding between Manitoba Gaming Control Commission and Alberta Gaming and Liquor Commission to share information and investigative findings on prospective licensees and service providers.	Alberta Gaming and Liquor Commission
12/03/1999	Memorandum of Understanding between the Saskatchewan Liquor and Gaming Authority and the Alberta Gaming and Liquor Commission to share information and investigative findings on prospective licensees and service providers.	Alberta Gaming and Liquor Commission
01/01/2000	Memorandum of Agreement for The Canadian Real-Time GPS Correction Distribution Service.	Environment
01/14/2000	Amendment to 1963 Highway 17 Agreement between Alberta Highways and Saskatchewan Highways and Transportation.	Infrastructure
01/28/2000	Research Agreement with Natural Resource Canada: Pilot Scale Delayed coker and Pyrolysis Facility. Agreement #1322A.	Alberta Oil Sands Technology and Research Authority
02/16/2000	Western Economic Partners Agreement Project Summary: Food Safety Technology Component	Agriculture, Food and Rural Development
03/01/2000	Lease Agreement between Alberta Infrastructure and Whitehall Holdings Inc. (Grande Prairie Buildings).	Infrastructure
03/01/2000	Lease Agreement of Calgary Buildings between Alberta Infrastructure and OPR Realty (Marlborough) Inc.	Infrastructure
03/16/2000	Memorandum of Understanding between Alberta Learning and Canada Customs and Revenue Agency.	Learning
03/17/2000	Access Agreement between Minister responsible for Alberta Registries & Department of National Defence, Canadian Forces Military Police.	Government Services
03/20/2000	Canada Alberta Partners in Food Safety Business Plan.	Agriculture, Food and Rural Development
03/23/2000	Service Management Framework for the Province of Alberta regarding Administration of Alberta Programs by the Canada Customs & Revenue Agency.	Treasury
03/30/2000	Contribution Agreement - Alberta Energy and Utilities Board, Resources Branch, and Earth Sciences Sector (ESS), Natural Resources Canada.	Energy
03/31/2000	Amendment to April 20, 1993 Agreement between Alberta Research Council and Natural Resources Canada Devon Coal Research Centre Common Services.	Alberta Research Council

Appendix II

International Intergovernmental Agreements

Ministry Of International and Intergovernmental Relations

Signed April 1999 through March, 2000

Date	Title	Alberta Ministry
04/01/1999	Agreement for a Friendship Sport Exchange between the Provinces of Alberta and Hokkaido. Fiscal 1999 & 2000. (In English and Japanese)	Community Development
04/01/1999	Agreement for a Friendship Sport Exchange between the Provinces of Alberta and Kangwon Fiscal 1999 & 2000. (In English and Korean)	Community Development
04/01/1999	Co-Location Agreement - Alberta Trade Office in Beijing.	Economic Development
04/01/1999	Memorandum of Understanding between the Research Institute on Addictions, Russian Federation Ministry of Health, and the Alberta Alcohol and Drug Abuse Commission (AADAC) to cooperate on research, presentations, publications, the exchange of specialists, and other projects related to the nature and management of addictions.	Health
06/09/1999	25th Anniversary Protocol of Reaffirmation of Friendship & Affiliation between the Province of Alberta, Canada & Kangwon Province, Korea. (In English & Korean)	International and Intergovernmental Relations
06/25/1999	Alberta - Jalisco Memorandum of Cooperation on Agriculture.	Agriculture, Food and Rural Development
06/25/1999	Alberta - Jalisco Memorandum of Understanding on Substance Abuse.	Health and Wellness
06/25/1999	Alberta - Jalisco MOU on Economic Cooperation.	Economic Development
06/25/1999	Alberta - Jalisco MOU on Education Cooperation.	Learning
06/25/1999	Memorandum of Understanding with Jalisco Ministry of Health regarding Cancer.	Health and Wellness
06/25/1999	Protocol of Understanding and Friendship for a Sister Relationship between the State of Jalisco, Mexico and the Province of Alberta.	International and Intergovernmental Relations
08/12/1999	Lotteries & Gaming MOUs with New Mexico.	Alberta Gaming and Liquor Commission
09/09/1999	Extension of May 1997 Contract on Cyclic Steam Stimulation between the Oil and natural Gas Corporation Ltd. of India and Alberta Research Council.	Alberta Research Council
11/02/1999	Memorandum of Understanding between Alberta Research Council and the Institute of Reservoir Studies (Oil and Natural Gas Corporation Limited), India.	Alberta Research Council

Date	Title	Alberta Ministry
11/05/1999	Lotteries & Gaming MOUs with Arizona.	Alberta Gaming and Liquor Commission
11/10/1999	Memorandum of Understanding Between the Alberta Gaming and Liquor Commission and the State Gaming Control Board of Nevada.	Alberta Gaming and Liquor Commission
11/23/1999	Memorandum of Understanding between KwaZulu-Natal Gambling Board and Alberta Gaming and Liquor Commission to share information and investigative findings on prospective licensees and service-providers in Alberta and South Africa.	Alberta Gaming and Liquor Commission
01/17/2000	MOU between the Ministry of Basic Industry of Cuba and the Ministry of Learning of Alberta.	Learning
03/08/2000	MOU and Cooperation between the State of Montana and the Government of Alberta Respecting the Montana / Alberta Bilateral Advisory Council (MABAC).	International and Intergovernmental Relations
03/10/2000	Memorandum of Understanding Between the Alberta Gaming and Liquor Commission and the State of Indiana, Indiana Gaming Commission.	Alberta Gaming and Liquor Commission
03/30/2000	Agreement to Promote Animal Husbandry Cooperation between Anhui Department of Agriculture and Alberta Agriculture, Food and Rural Development.	Agriculture, Food and Rural Development

Appendix III

The Top 30 Destinations for Alberta's Exports

Total U.S. State or other Country Exports

Five Year Average (1995-1999)

U.S. State or Country	Millions $ Canadian	Rank
Illinois	3,154	1
New York	2,931	2
California	2,741	3
Minnesota	2,526	4
Texas	1,713	5
Tennessee	1,466	6
Washington State	1,401	7
Japan	1,255	8
Michigan	1,239	9
Wisconsin	1,061	10
Ohio	980	11
Montana	770	12
Iowa	570	13
People's Republic of China	564	14
North Dakota	419	15
South Korea	399	16
Missouri	371	17
Utah	356	18
Colorado	332	19
Pennsylvania	299	20
Taiwan	253	21
Mexico	227	22
United Kingdom	206	23
Oregon	284	24
Idaho	204	25
New Jersey	178	26
Kentucky	175	27
Indiana	174	28
Wyoming	171	29
Germany	171	30

Appendix IV

Alphabetical List of Entities Financial Information in Ministry Annual Reports

Entities included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Agricultural Research Institute	Innovation and Science
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Resource Development
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Treasury
Alberta Heritage Foundation for Medical Research Endowment Fund	Treasury
Alberta Heritage Savings Trust Fund	Treasury
Alberta Heritage Scholarship Fund	Treasury
Alberta Historical Resources Foundation, The	Community Development
Alberta Informatics Circle of Research Excellence Inc.	Innovation and Science
Alberta Insurance Council	Treasury
Alberta Municipal Financing Corporation	Treasury
Alberta Oil Sands Technology and Research Authority	Innovation and Science
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Treasury
Alberta Petroleum Marketing Commission	Resource Development
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Treasury
Alberta School Foundation Fund	Learning
Alberta Science, Research and Technology Authority	Innovation and Science
Alberta Securities Commission	Treasury
Alberta Social Housing Corporation	Community Development
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Treasury
ATB Investment Services Inc.	Treasury
Awasak Child and Family Services Authority	Children's Services
Calgary Rocky View Child and Family Services Authority	Children's Services
Child and Family Services Authority – Region 13	Children's Services
Child and Family Services Authority – Region 14	Children's Services

Entities included in the Consolidated Government Reporting Entity...(continued)

Ministry, Department, Fund or Agency	Ministry Annual Report
Credit Union Deposit Guarantee Corporation	Treasury
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Environment	Environment
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Justice	Justice
Department of Learning	Learning
Department of Resource Development	Resource Development
Department of Treasury	Treasury
Diamond Willow Child and Family Services Authority	Children's Services
Environmental Protection and Enhancement Fund	Environment
Gainers Inc.	Treasury
Government House Foundation, The	Community Development
Hearthstone Child and Family Services Authority	Children's Services
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
Keystone Child and Family Services Authority	Children's Services
Lottery Fund	Gaming
Ma'Mowe Capital Region Child and Family Services Authority	Children's Services
Metis Settlements Child and Family Services Authority	Children's Services
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Environment	Environment
Ministry of Executive Council [1]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure

Entities included in the Consolidated Government Reporting Entity...(continued)

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Resource Development	Resource Development
Ministry of Treasury	Treasury
N.A. Properties (1994) Ltd.	Treasury
Natural Resources Conservation Board	Environment
Neegan Awas'sak Child and Family Services Authority	Children's Services
Persons with Developmental Disabilities Calgary Region Community Board	Health and Wellness
Persons with Developmental Disabilities Central Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Edmonton Community Board	Health and Wellness
Persons with Developmental Disabilities Foundation	Health and Wellness
Persons with Developmental Disabilities Michener Centre Facility Board	Health and Wellness
Persons with Developmental Disabilities Northeast Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Northwest Alberta Community Board	Health and Wellness
Persons with Developmental Disabilities Provincial Board	Health and Wellness
Persons with Developmental Disabilities South Alberta Community Board	Health and Wellness
Ribstone Child and Family Services Authority	Children's Services
S C Financial Ltd.	Treasury
Sakaigun Asky Child and Family Services Authority	Children's Services
Sakaw Askiy Child and Family Services Authority	Children's Services
Silver Birch Child and Family Services Authority	Children's Services
Southeast Alberta Child and Family Services Authority	Children's Services
Sun Country Child and Family Services Authority	Children's Services
Supplementary Retirement Plan Reserve Fund	Treasury
Victims of Crime Fund	Justice
West Yellowhead Child and Family Services Authority	Children's Services
Wild Rose Foundation, The	Community Development
Windsong Child and Family Services Authority	Children's Services

[1] Ministry includes only the department so separate department financial statements are not necessary.

Entities NOT included in the Consolidated Government Reporting Entity

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts Trust Account	Municipal Affairs
Local Authorities Pension Plan	Treasury
Long-Term Disability Income Continuance Plan -Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan -Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Treasury
Provincial Judges and Masters in Chambers Pension Plan	Treasury
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Treasury
Public Service Pension Plan	Treasury
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Treasury
Universities Academic Pension Plan	Treasury
Workers' Compensation Board	Human Resources and Employment